

HOUSE BILL No. 1250

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-14.5-12.5.

Synopsis: Redevelopment authorities. Provides that the jurisdiction of certain redevelopment authorities in counties with a military base that is inactive, closed, or scheduled for closing may include the entire county. Increases the maximum number of the authority's board of directors from seven to 11. Provides that a nonprofit economic development corporation may convey its assets and liabilities to the authority. Specifies that the authority may change its name to recognize its countywide jurisdiction.

Effective: Upon passage.

Friend, Turner, McClain

January 6, 2005, read first time and referred to Committee on Local Government.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1250

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-7-14.5-12.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12.5. (a) This
3 section applies only to an authority in a county having a United States
4 government military base that is scheduled for closing or is completely
5 or partially inactive or closed.
6 (b) **Except as otherwise provided, the legislative body of a**
7 **county described in subsection (a) may adopt an ordinance**
8 **providing that the jurisdiction of an authority includes the entire**
9 **county.** In order to accomplish the purposes set forth in section 11(b)
10 of this chapter, an authority may create an economic development area:
11 (1) by following the procedures set forth in IC 36-7-14-41 for the
12 establishment of an economic development area by a
13 redevelopment commission; and
14 (2) with the same effect as if the economic development area was
15 created by a redevelopment commission.
16 ~~However,~~ An authority may ~~not~~ include in an economic development
17 area created under this section any area ~~that was declared a blighted~~



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1 area, an urban renewal area, or an economic development area under
 2 ~~IC 36-7-14~~ within the jurisdiction of the authority.

3 (c) In order to accomplish the purposes set forth in section 11(b) of
 4 this chapter, an authority may do the following in a manner that serves
 5 an economic development area created under this section:

6 (1) Acquire by purchase, exchange, gift, grant, condemnation, or
 7 lease, or any combination of methods, any personal property or
 8 interest in real property needed for the redevelopment of
 9 economic development areas located within the corporate
 10 boundaries of the unit.

11 (2) Hold, use, sell (by conveyance by deed, land sale contract, or
 12 other instrument), exchange, lease, rent, or otherwise dispose of
 13 property acquired for use in the redevelopment of economic
 14 development areas on the terms and conditions that the authority
 15 considers best for the unit and the unit's inhabitants.

16 (3) Sell, lease, or grant interests in all or part of the real property
 17 acquired for redevelopment purposes to any other department of
 18 the unit or to any other governmental agency for public ways,
 19 levees, sewerage, parks, playgrounds, schools, and other public
 20 purposes on any terms that may be agreed on.

21 (4) Clear real property acquired for redevelopment purposes.

22 (5) Repair and maintain structures acquired for redevelopment
 23 purposes.

24 (6) Remodel, rebuild, enlarge, or make major structural
 25 improvements on structures acquired for redevelopment purposes.

26 (7) Survey or examine any land to determine whether the land
 27 should be included within an economic development area to be
 28 acquired for redevelopment purposes and to determine the value
 29 of that land.

30 (8) Appear before any other department or agency of the unit, or
 31 before any other governmental agency in respect to any matter
 32 affecting:

33 (A) real property acquired or being acquired for
 34 redevelopment purposes; or

35 (B) any economic development area within the jurisdiction of
 36 the authority.

37 (9) Institute or defend in the name of the unit any civil action, but
 38 all actions against the authority must be brought in the circuit or
 39 superior court of the county where the authority is located.

40 (10) Use any legal or equitable remedy that is necessary or
 41 considered proper to protect and enforce the rights of and perform
 42 the duties of the authority.

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(11) Exercise the power of eminent domain in the name of and within the corporate boundaries of the unit subject to the same conditions and procedures that apply to the exercise of the power of eminent domain by a redevelopment commission under IC 36-7-14.

(12) Appoint an executive director, appraisers, real estate experts, engineers, architects, surveyors, and attorneys.

(13) Appoint clerks, guards, laborers, and other employees the authority considers advisable, except that those appointments must be made in accordance with the merit system of the unit if such a system exists.

(14) Prescribe the duties and regulate the compensation of employees of the authority.

(15) Provide a pension and retirement system for employees of the authority by using the public employees' retirement fund or a retirement plan approved by the United States Department of Housing and Urban Development.

(16) Discharge and appoint successors to employees of the authority subject to subdivision (13).

(17) Rent offices for use of the department or authority, or accept the use of offices furnished by the unit.

(18) Equip the offices of the authority with the necessary furniture, furnishings, equipment, records, and supplies.

(19) Design, order, contract for, and construct, reconstruct, improve, or renovate the following:

(A) Any local public improvement or structure that is necessary for redevelopment purposes or economic development within the corporate boundaries of the unit.

(B) Any structure that enhances development or economic development.

(20) Contract for the construction, extension, or improvement of pedestrian skyways (as defined in IC 36-7-14-12.2(c)).

(21) Accept loans, grants, and other forms of financial assistance from, or contract with, the federal government, the state government, a municipal corporation, a special taxing district, a foundation, or any other source.

(22) Make and enter into all contracts and agreements necessary or incidental to the performance of the duties of the authority and the execution of the powers of the authority under this chapter.

(23) Take any action necessary to implement the purpose of the authority.

(24) Provide financial assistance, in the manner that best serves

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the purposes set forth in section 11(b) of this chapter, including grants and loans, to enable private enterprise to develop, redevelop, and reuse military base property or otherwise enable private enterprise to provide social and economic benefits to the citizens of the unit.

Except as otherwise provided, an authority may exercise a power under this subsection or any other power granted to the authority under IC 36-7-14 or this chapter throughout or in any area that is within the jurisdiction of the authority as specified in an ordinance adopted by the legislative body of the county in which the authority is located.

(d) An authority may designate all or a portion of an economic development area created under this section as an allocation area by following the procedures set forth in IC 36-7-14-39 for the establishment of an allocation area by a redevelopment commission. The allocation provision may modify the definition of "property taxes" under IC 36-7-14-39(a) to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of designated taxpayers in accordance with the procedures applicable to a commission under IC 36-7-14-39.3. IC 36-7-14-39.3 applies to such a modification. An allocation area established by an authority under this section is a special taxing district authorized by the general assembly to enable the unit to provide special benefits to taxpayers in the allocation area by promoting economic development that is of public use and benefit. For allocation areas established for an economic development area created under this section after June 30, 1997, and to the expanded portion of an allocation area for an economic development area that was established before June 30, 1997, and that is expanded under this section after June 30, 1997, the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date, must be allocated. All of the provisions of IC 36-7-14-39, IC 36-7-14-39.1, and IC 36-7-14-39.5 apply to an allocation area created under this section, except that the authority shall be vested with the rights and duties of a commission as referenced in those sections, and except that, notwithstanding IC 36-7-14-39(b)(2), property tax proceeds paid into the allocation fund may be used by the authority only to do one (1) or more of the following:

(1) Pay the principal of and interest and redemption premium on any obligations incurred by the special taxing district or any other entity for the purpose of financing or refinancing military base

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reuse activities in or serving or benefitting that allocation area.

(2) Establish, augment, or restore the debt service reserve for obligations payable solely or in part from allocated tax proceeds in that allocation area or from other revenues of the authority (including lease rental revenues).

(3) Make payments on leases payable solely or in part from allocated tax proceeds in that allocation area.

(4) Reimburse any other governmental body for expenditures made by it for local public improvements or structures in or serving or benefitting that allocation area.

(5) Pay all or a portion of a property tax replacement credit to taxpayers in an allocation area as determined by the authority. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under IC 36-7-14-39.5 in the same year.

(6) Pay expenses incurred by the authority for local public improvements or structures that are in the allocation area or serving or benefitting the allocation area.

(7) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(A) in the allocation area; and

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(B) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in clause (B). The reimbursements under this subdivision must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made. The allocation fund may not be used for operating expenses of the authority.

(e) In addition to other methods of raising money for property acquisition, redevelopment, or economic development activities in or directly serving or benefitting an economic development area created by an authority under this section, and in anticipation of the taxes allocated under subsection (d), other revenues of the authority, or any combination of these sources, the authority may, by resolution, issue the bonds of the special taxing district in the name of the unit. Bonds issued under this section may be issued in any amount without limitation. The following apply if such a resolution is adopted:

(1) The authority shall certify a copy of the resolution authorizing the bonds to the municipal or county fiscal officer, who shall then prepare the bonds. The seal of the unit must be impressed on the bonds, or a facsimile of the seal must be printed on the bonds.

(2) The bonds must be executed by the appropriate officer of the unit and attested by the unit's fiscal officer.

(3) The bonds are exempt from taxation for all purposes.

(4) Bonds issued under this section may be sold at public sale in accordance with IC 5-1-11 or at a negotiated sale.

(5) The bonds are not a corporate obligation of the unit but are an indebtedness of the taxing district. The bonds and interest are payable, as set forth in the bond resolution of the authority:

(A) from the tax proceeds allocated under subsection (d);

(B) from other revenues available to the authority; or

(C) from a combination of the methods stated in clauses (A) and (B).

(6) Proceeds from the sale of bonds may be used to pay the cost of interest on the bonds for a period not to exceed five (5) years from the date of issuance.

(7) Laws relating to the filing of petitions requesting the issuance of bonds and the right of taxpayers to remonstrate against the issuance of bonds do not apply to bonds issued under this section.

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(8) If a debt service reserve is created from the proceeds of bonds, the debt service reserve may be used to pay principal and interest on the bonds as provided in the bond resolution.

(9) If bonds are issued under this chapter that are payable solely or in part from revenues to the authority from a project or projects, the authority may adopt a resolution or trust indenture or enter into covenants as is customary in the issuance of revenue bonds. The resolution or trust indenture may pledge or assign the revenues from the project or projects. The resolution or trust indenture may also contain any provisions for protecting and enforcing the rights and remedies of the bond owners as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority. The authority may establish fees and charges for the use of any project and covenant with the owners of any bonds to set those fees and charges at a rate sufficient to protect the interest of the owners of the bonds. Any revenue bonds issued by the authority that are payable solely from revenues of the authority shall contain a statement to that effect in the form of bond.

(f) Notwithstanding section 8(a) of this chapter, an ordinance adopted under section 11(b) of this chapter may provide, or be amended to provide, that the board of directors of the authority shall be composed of not fewer than three (3) nor more than ~~seven (7)~~ **eleven (11)** members, who must be residents of the unit appointed by the executive of the unit.

(g) The acquisition of real and personal property by an authority under this section is not subject to the provisions of IC 5-22, IC 36-1-10.5, IC 36-7-14-19, or any other statutes governing the purchase of property by public bodies or their agencies.

(h) An authority may negotiate for the sale, lease, or other disposition of real and personal property without complying with the provisions of IC 5-22-22, IC 36-1-11, IC 36-7-14-22, or any other statute governing the disposition of public property.

(i) Notwithstanding any other law, utility services provided within an economic development area established under this section are subject to regulation by the appropriate regulatory agencies unless the utility service is provided by a utility that provides utility service solely within the geographic boundaries of an existing or a closed military installation, in which case the utility service is not subject to regulation for purposes of rate making, regulation, service delivery, or issuance of bonds or other forms of indebtedness. However, this exemption from regulation does not apply to utility service if the service is generated,

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1 treated, or produced outside the boundaries of the existing or closed
2 military installation.

3 **SECTION 2. [EFFECTIVE UPON PASSAGE] (a) A nonprofit**
4 **corporation established to encourage, initiate, and coordinate**
5 **economic development of a county described in**
6 **IC 36-7-14.5-12.5(a) may convey or otherwise transfer any or all**
7 **of the nonprofit corporation's assets and liabilities to an authority**
8 **described in IC 36-7-14.5-12.5(a).**

9 **(b) This SECTION expires June 30, 2008.**

10 **SECTION 3. [EFFECTIVE UPON PASSAGE] (a) An authority**
11 **described in IC 36-7-14.5-12.5(a) may change its name to recognize**
12 **that the authority's jurisdiction under IC 36-7-14.5-12.5, as**
13 **amended by this act, may include the entire county in which the**
14 **authority was established. A change in an authority's name under**
15 **this SECTION does not affect the powers and duties of the**
16 **authority under IC 36-7-14, IC 36-7-14.5, or any other statute.**

17 **(b) This SECTION expires June 30, 2008.**

18 **SECTION 4. An emergency is declared for this act.**

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